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Loeb Inc.

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LOEB INC.

Driver Training and Monitoring Contribute to Fuel Efficiency and Cost Savings

Since 1984, LOEB Inc. has been successfully implementing a low-tech, driver-oriented fleet management program that is reducing stress among drivers, improving fuel efficiency and road safety, and strengthening the company's bottom line.



About the company

LOEB Inc. is an Ottawa-based company that operates a grocery distribution business throughout Ontario and in northwestern Quebec. Using full-maintenance leased vehicles, LOEB delivers food and other grocery products to its own stores, as well as to franchise and industry stores in its distribution region. Deliveries originate from warehouses in Ottawa, Sudbury and London. An affiliated common carrier – Capital City Transportation – operates out of Ottawa and Toronto. The combined LOEB/Capital City highway fleet currently consists of 78 tractors and 204 trailers.

Focus on driver training

In 1984, LOEB's fleet could best be described as a mixed bag of equipment that was in varying states of disrepair. Faced with high fuel costs, maintenance problems and safety concerns, the company

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recognized that meaningful action was necessary and decided to focus initially on improving driving practices and reducing fuel consumption.

Toward this end, the company established a comprehensive, in-house driver training program. Trainers were recruited to deliver courses on such topics as air brakes, fuel economy and winter driving techniques. Drivers were encouraged to travel at lower speeds, exercise caution in braking and use progressive shifting.

To monitor driver performance, LOEB installed tachographs on 14 tractors (by 1987, all of the company's tractors were equipped with tachographs) and used the devices to enforce a 90-kilometre-per-hour speed limit instituted by the company. While drivers initially viewed the monitoring and speed limit policy as being heavy-handed, this resistance ultimately gave way to widespread compliance.

Significant fuel and cost savings achieved

Within two years of launching the driver training and monitoring program, LOEB was reaping significant benefits.

Between 1984 and 1986, average fuel consumption by the company's highway delivery vehicles decreased from 47.9 litres per 100 kilometres (5.9 miles per gallon) to 43.5 litres per 100 kilometres (6.5 miles per gallon) – a 10.2 per cent improvement. Despite a 63.4 per cent increase in the number of kilometres driven over that

Stringent recruitment and training

LOEB's firm commitment to driver training has been complemented by a stringent recruitment policy. Prospective drivers are rigorously interviewed and tested and, once hired, are required to successfully complete LOEB's internal driver training program.



**The company believes
this training is neces-
sary to ensure driving
habits that will yield
favourable results in
terms of fuel efficiency,
safety and overall fleet
productivity.**

period, the fleet used almost 75 000 fewer litres of fuel. This translated into annual savings of roughly \$2,000 per truck per year.

Following the initial success of the fleet management program, LOEB increased the maximum speed for company trucks to 95 kilometres per hour. Any increased fuel consumption that has resulted from this decision has been more than offset by the effective use of tachographs. In particular, continuous tachograph chart reviews have been used to reduce vehicle idling. "The tach chart reviews have led to the complete elimination of unnecessary idling," reports Wayne Whipple, LOEB's Transportation Manager.

The results of the driver training and monitoring program have been even more impressive in the longer term. Not only has fuel consumption continued to improve, reaching 38.7 litres per 100 kilometres (7.3 miles per gallon) in 1995, but accidents have also declined dramatically. LOEB reported 28 per cent fewer accidents in 1995 than in 1994. During the same period, the cost of accidents to the company decreased by 46 per cent.

Equipment standardization initiative

To complement its focus on driver training, LOEB has recently decided to standardize its delivery fleet. Two key aspects to this process are as follows:

- The company is now emphasizing the acquisition of lighter trailers as a means of further reducing fuel consumption.

- Attempts are being made to standardize the cab environment for drivers. For example, significant improvements have been made in the comfort and quality of drivers' seats. Through efforts such as this, the company's drivers are being rewarded for their commitment to training and good driving practices.

LOEB Inc.'s low-tech, driver-oriented fleet management program has been a tremendous success. "The bottom line for the company has improved, driver performance has increased and driver stress levels have been reduced," confirms Mr. Whipple.

In fact, the program has been so successful that Mr. Whipple believes that LOEB enjoys some of the lowest transportation costs as a percentage of sales in the industry.



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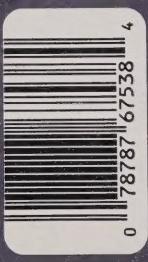
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ISBN: 0-662-25416-3

Cat. no.: M91-24/21-1997E



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